

# Supplementary Budget 2020

## Resilience Budget to cope with the COVID-19 pandemic

27 March 2020

Following the Unity Budget announced in February, Singapore's Deputy Prime Minister and Finance Minister, Mr Heng Swee Keat, set out the Resilience Budget, a second stimulus package, on 26 March 2020 to help Singapore cope with the COVID-19 pandemic. The package focuses on supporting workers, stabilising businesses and building resilience. In all, Singapore is setting aside close to S\$55 billion to weather the coronavirus storm.

### SUPPORTING WORKERS

The Government rolled out numerous measures to save jobs, create job opportunities and help workers with less means. Amongst them are:

#### Jobs Support Scheme

- ▶ Jobs Support Scheme (JSS) is a temporary scheme introduced to provide once-off wage support to help enterprises retain their local employees (Singaporeans and Permanent Residents).
- ▶ Employers will receive the following cash grant automatically on the wages of each local employee for whom mandatory Central Provident Fund (CPF) contributions were made:

	Period of wage payment	CPF contribution made	Amount of cash grant	Date of payout
Tranche 1	October to December 2019	14 February 2020	25% (*) of the first S\$4,600 of gross monthly wage per local employee	End May 2020
Tranche 2	February to April 2020	14 May 2020		End July 2020
Tranche 3	May to July 2020	14 August 2020		End October 2020

(\*) Additional support is given to severely affected sectors. Food services sector and aviation & tourism sector will get 50% and 75% respectively.

#### Wage Credit Scheme

- ▶ The Wage Credit Scheme (WCS) is enhanced to support wage increases for Singaporean employees. Under the WCS, the Government co-funds wage increases for employees, subject to a gross monthly wage ceiling.
- ▶ The following enhancements are made to the WCS:
  - a) The gross monthly wage ceiling is raised from S\$4,000 to S\$5,000 for qualifying wage increases given in 2019 and 2020.



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- b) The level of Government co-funding is raised to:
- 20% of qualifying wage increases in 2019; and
  - 15% of qualifying wage increases in 2020.

The wage credit payout in September 2020 will be brought forward to end June 2020.

### COVID-19 Support Grant

- ▶ Cash grant of S\$800 per month for three months, will be given to low and middle income Singaporeans who lost their jobs due to COVID-19.

### Self-employed persons (SEPs) Income Relief Scheme

- ▶ Eligible Singaporean SEPs will receive S\$1,000 a month for nine months.

## STABILISING BUSINESSES

Several measures were announced in the Unity Budget, such as 25% corporate tax rebate, enhancement of carry-back relief scheme, option to accelerate capital allowance claim on plant and machinery to help businesses tide over this difficult period. The Government continues its effort to help businesses manage their 3Cs being cost, cash flow and credit in the Resilience Budget, including:

- ▶ An automatic deferment of income tax payment for three months for companies and self-employed persons as follows:
  - Companies: defer tax payment due in April, May and June 2020 (resume tax payment in July 2020)
  - SEPs: defer tax payment due in May, June and July 2020 (resume tax payment in August 2020)
- ▶ One year freeze on all government fees and charges, from 1 April 2020 to 31 March 2021.
- ▶ Enhancement of property tax rebate for 2020:
  - 100% rebate for qualifying commercial properties which include hotels, serviced apartments, tourist attractions, shops and restaurants
  - 60% rebate for the Integrated Resorts
  - 30% rebate for other non-residential properties
- ▶ Enhancement of rental waivers
  - Three months' rental waiver for hawkers
  - Up to two months' rental waiver for commercial and other non-residential tenants in government properties
- ▶ Enhancement of the Enterprise Financing Scheme (EFS)
  - EFS – SME Working Capital
    - » Maximum loan will be increased from S\$600,000 to S\$1million
    - » SMEs may request for deferment of principal repayment for one year
  - EFS – Trade Loan
    - » Maximum loan will be increased from S\$5 million to S\$10 million
    - » Risk-share from Government will be increased from 50-70% to 80%
- ▶ Temporary Bridging Loan Programme
  - Financing support will be extended from tourism sector to all sectors and maximum loan will be increased from S\$1 million to S\$5 million
  - SMEs may request for deferment of principal repayment for one year



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